

5/27/068



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT FILLMORE FIELD OFFICE

35 East 500 North  
Fillmore, UT 84631



RECEIVED

MAR 29 2002

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer to:

3800

(U-010)

UTU-075872

March 27, 2002

CERTIFIED MAIL # 7000 1530 0006 0716  
RETURN RECEIPT REQUESTED

JEAN SMITH  
65 S 500 W  
DELTA UT 84624

Dear Ms. Smith:

On March 14, 2002, we received a copy of a letter (enclosed) from the Utah Division of Oil, Gas and Mining (UDOGM) stating that it considered Clay Holman to be the operator of the Ruby Red mine, located at T. 17 S., R. 13 W., Sec. 35. UDOGM came to this decision because on August 9, 2000, Mr. Holman had signed a Transfer of Notice of Intention, (enclosed) and assumed the reclamation liability from Shayne Crapo, the original operator at the site. However, Mr. Holman indicated that the new operator would be Ruby Red Mining Co., LLC. Upon checking the records of the Utah Division of Commerce, Department of Corporations, it does not appear that the Ruby Red Mining Co. was ever registered as a corporation. 43 CFR 3809.0-5 (g) and (h) define an operator as either an individual, an association of individuals, or a legal entity. An unregistered corporation is not a legal entity, therefore, the validity of the transfer is questionable.

However, on August 28, 2000, you submitted to this office an amended Notice (enclosed) in which you designated Jennifer and Clay Holman, Jim Kelsey, and yourself as operators. Since Jennifer and Clay Holman and Jim Kelsey did not sign this document indicating that they wished to assume reclamation liability for the operation, they cannot be considered operators. However, since Clay Holman did sign the aforementioned Notice of Transfer in which he did assume reclamation liability, and since at the time you clearly wanted him to be considered a co-operator, we consider both you and him to be operators for the project, and are jointly and severally responsible for reclamation of the site.

During recent phone conversations you have indicated that you and Jim Kelsey, as the claimants for the site, no longer want for Mr. Holman to be considered an operator. It is BLM policy to not intervene between rival claimants, and as such we cannot remove Mr. Holman as a



designated operator. In order to prevent him from operating on the site, you must obtain a judgement from a court with jurisdiction over the matter.

Your other option is to take action to close the Notice case file. This can be accomplished by either reclaiming the site, or by filing a Plan of Operations (Plan). Upon approval of the Plan, the Notice case file will be closed. However, we must point out that since we believe the stone you are mining is a common variety of building stone, we would require that, upon approval of a Plan, you establish an escrow amount for the value of the stone removed until a validity exam can be conducted for the claims.

We would like to take this opportunity to point out that the original notice filed by Shayne Crapo and transferred to you and Mr. Holman proposed a disturbance of 38,400 square feet, or somewhat less than an acre. Your operation appears to have slightly exceeded that limit, and as such, before you disturb any more acreage to mine building stone, you must submit a Plan of Operations as required by the new 43 CFR 3809 regulations that went into effect on January 20, 2001 (copy enclosed) for the additional acreage. These new regulations also mandate that by January 20, 2003, you submit a reclamation bond in an amount sufficient for the BLM to reclaim the existing disturbance, in the event you abandon the site.

If you have any questions, please feel free to contact Jerry Mansfield at (435)743-3125.

Sincerely,

  
Rex Rowley  
Field Office Manager

Enclosures

Notice of Transfer  
Amended Notice of Intent  
43 CFR 3809 Regulations

**ACTING**

cc: Tom Munson, UDOGM (S/027/068)  
Shayne Crapo, 665 E. Bristlecone Ln., Delta, UT 84624

cc: (certified mail/with enclosures):  
Jennifer and Clay Holman, 78 S. Main, Hinckley, UT 84635  
certified mail # 7000 1530 0006 2417 0723